



state senator

Tom Weatherwax

2006 LEGISLATIVE UPDATE

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Major Moves: The Jobs Bill of a Generation

INDIANA TO RECEIVE \$3.8 BILLION FOR TOLL ROAD LEASE

For years, Indiana has habitually approved almost any road project that is requested with a promise that it will get done "eventually." This resulted in \$2.8 billion of unfunded road projects across the state. With the passage of Major Moves, House Enrolled Act 1008, the General Assembly ensured the state's 10-year road plan will be funded, the Interstate 69 extension will get started, future generations will have money for roads and thousands of jobs will be created across the state.

The crux of the plan — leasing the Indiana Toll Road to private investors — drew attention, praise and criticism in the 10-week legislative session, but in the end, I believe the benefits of the deal outweighed any negatives that were mentioned.

The lease that was ratified through HEA 1008 was a \$3.8 billion agreement between the state and Statewide Mobility Partners (SMP), a Spanish-Australian consortium that operates toll roads all over the world. Supported by business leaders and owners alike, the \$3.8 billion lease and the interest it accrues will pay for the state's road projects, creating — according to some estimates — more than 130,000 jobs. An additional \$150 million will also be distributed to counties for local road projects.

In exchange for an up-front payment, SMP will operate and collect tolls from the Indiana Toll Road for 75 years. The consortium has also agreed to make improvements to the road — estimated at \$4.4 billion — and fund 25 additional State Troopers and a new state police post along the Interstate. The lease agreement and HEA 1008 dictate that SMP must meet federal standards on items such as traffic flow and snow removal. Indiana also

listed its own requirements for maintenance issues such as filling pot holes, removing dead animals, and taking care of other hazards.

In addition to the toll road portion of the law, HEA 1008 also addresses another major road: Interstate 69. The previous timeline for extending I-69 from Indianapolis to Evansville, set by previous administrations, had construction beginning in 2017. That is simply unworkable. Under HEA 1008, work on the long-awaited interstate could start as soon as 2008 and be completed by 2018.

Under the plan, the governor could enter into a Public-Private Partnership (P3) to help build I-69 from Evansville to Martinsville as a toll road. However, tolls from Martinsville to Evansville must be approved by the legislature. Additionally, if the administration wants the north end of the road to remain in Perry Township in Indianapolis, the General Assembly must also give approval.

Another important part of the deal is a \$500 million Next Generation Trust Fund. Every five years, the state will take the interest the trust fund accrues and deposit it into the Major Moves construction fund. The initial \$500 million, however, will be protected and not spent.

As Governor Mitch Daniels has said, a top-tier economy requires a top-tier infrastructure. Indiana is striving to have an economy that is the envy of the nation, but we can't do so without a road system that also draws envy. Major Moves completes those goals, and I am proud to say I supported it.

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REVERSE 911 SYSTEM

On November 6, 2005, a tornado struck southwest Indiana, claiming the lives of 24 and injuring more than 200. Tornado warnings were issued by the national Weather Service 30 minutes before the storm, and tornado sirens went off in Vanderburgh county 10 minutes before touchdown, allowing some residents to reach safety. Unfortunately however, the warnings were mostly unheard, because it was the middle of the night when most people in the storm's path were asleep.

In an effort to provide Hoosiers with a more effective emergency notification system, Senate Enrolled Act 283, which passed both the Senate and House of Representatives unanimously, creates an emergency telephone notification system intended to warn Hoosiers of impending emergencies.

Better known as "Reverse 911," this automated system calls households and provides residents with a recorded message, notifying them of vital information regarding weather conditions or other emergencies. The recording will inform those in harm's way of what to do, expect or look for. The system will be able to target populations within specific geographic locations. For

instance, in the case of a tornado, the system will call households only in the line of the storm.

The Reverse 911 system is also effective in assisting emergency dispatchers in locating individuals who need assistance. In certain instances, callers may not be able to notify, or be willing to inform dispatchers of their location. The system will provide dispatchers with the exact location of callers, enabling the dispatcher to send appropriate emergency assistance.

The money to pay for these services will come from existing 911 fees. Several counties across the state already have hundreds of thousands of dollars in 911 reserve funds that could be tapped in order to pay for a Reverse 911 system.

In 2005, North Dakota residents were notified via the Reverse 911 system of an escapee from the Richland County Jail near Fargo. With the assistance of residents who had a detailed description, law enforcement officials were able to capture the escaped inmate within 15 hours. Indiana residents deserve to have the same sense of safety. The safety of Indiana residents is imperative. The Reverse 911 will play a key role in helping communities come together to save lives.

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SENATE DISTRICT 18 GETS \$70 MILLION FROM MAJOR MOVES



Now that Major Moves has passed, it is important that people know what benefits they will see.

The money from the lease will be used to complete the long-awaited Hoosier Heartland Corridor in District 18. The Lafayette to Logansport portion will receive \$255 million from Major Moves. It will also fund the Fort-to-Port extension and new Ohio River bridges.

Additionally, because of the size of the lease payment, \$150 million will be distributed to counties, cities and towns for local projects. The distribution is based on a formula similar to the distribution of gas tax revenues. The counties I represent will receive the following:

- Cass — \$1,460,310
- Fulton — \$1,080,708
- Kosciusko — \$2,202,747
- Miami — \$1,269,285
- Pulaski — \$1,069,617
- Wabash — \$1,252,218

Major Moves will also pay for some local pavement projects in District 18.

- Cass — \$5 million for S.R. 25 from Cicott St. to Race St.
- Kosciusko — \$3 million for S.R. 15 at C.R. 600 N
- Miami — \$2.5 million for S.R. 19 in the city of Amboy & C.R. 1200 S to Quaker St.
- Wabash — \$2.5 million for S.R. 15 from Stitt St. to W Harrison St.



Eminent Domain

The right to own property is fundamental to the American way of life. We are all familiar with the concept of "life, liberty, and the pursuit of happiness" set out in our Declaration of Independence. However, at the time the Declaration was issued, many Americans listed such basic God-given human rights as "life, liberty and property."

Last summer, the U.S. Supreme Court issued a ruling that threatens the right to own property. In *Kelo v. City of New London*, the court said that government may "take" private property for economic development.



The Supreme Court, however, left a loophole, saying legislatures may further restrict the use of eminent domain. This year, the General Assembly did exactly that.

This summer, Indiana created an Eminent Domain Study Committee to look at Indiana's property rights laws to see how they could be improved. Many of their conclusions are now in the form of House Enrolled Act 1010.

Perhaps most importantly, the new law requires the reason for using eminent domain be something that benefits the public. Thus, eminent domain can be used for a legitimate government purpose-but not simply to increase a local government's tax base.

The proposed new law does several other things, including placing time restrictions on eminent domain so that property owners are not left in limbo for years at a time; requiring just compensation for Hoosier property owners; and mandating good-faith negotiations between the condemner and the property owner.

When used appropriately, eminent domain is an important tool that can help provide anything from roads to parks to schools for public use. HEA 1010 ensures that this tool is not abused at the expense of Hoosiers' right to own private property.

Clean Energy Indiana II: Indiana is Leading the Nation in Alternative Fuel Production

In the 2005 legislative session, our Clean Indiana Energy bill put Indiana at the forefront as a leader in new fuel technology. Currently, six ethanol plants have broken ground in Indiana with another 18 on the drawing board.

This is a growing industry. Other states are starting to see the benefits of investing in alternative fuels, which is why I authored Clean Indiana Energy II, Senate Enrolled Act 353, to ensure Indiana remains a leader in this area.

SEA 353 establishes a \$50 million tax credit, up from \$20 million, for new ethanol and/or biodiesel production facilities. Ethanol production plants cost approximately \$79 million or more to build, and the companies don't receive tax breaks until they are making a profit in our state.

Ethanol and biodiesel production has a very positive impact on Indiana farmers. Indiana is the fifth largest state in corn production and fourth largest in soybeans. These are the two key dynamics associated with ethanol/biodiesel production. Currently, Indiana sends nearly 50 percent of corn and soybean productions out of state with no values added. This is the least profitable form of sale for farmers. It is estimated that farmers

contracting with ethanol or biodiesel plants will gain an additional 5 cents to 10 cents per bushel.

SEA 353 also establishes a retail tax credit of 10 cents per gallon of E85 fuel



Senator Weatherwax speaks on the importance of Senate Enrolled Act 353 on the Senate Floor.

sold to consumers, up to a maximum of \$2 million over the next two years. If retailers reach the maximum credit, then Indiana will have sold over 20 million gallons of E85 in two years. This is a great incentive for retailers

to encourage consumers to purchase E85 fuels.

Indiana is leading the nation with the most E85 fueling stations. Our goal is to double our current numbers for a total of 40 E85 fueling stations in the state of Indiana at the end of 2006.

SEA 353 also extends the current B20 retail tax credit through 2010 and requires the Indiana Economic Development Corporation to work with GPS software companies to include E85 fueling stations on GPS software.

This is amazing progress in such a short period of time. I am very proud of the fact that Indiana is leading the nation in this industry, and this legislation will only add to our advantage.

Property Tax Relief : General Assembly Approves \$100 Million in Immediate Aid

Across the state, there is a strong desire to decrease local governments' reliance on property taxes, but there is a problem. In order to eliminate more than \$5 billion in revenue, we must find a new source of funding. This year, the Senate came up with a plan that would lower property taxes and replace that lost revenue with a more equitable tax. Unfortunately, the plan did not become law.

Statistics show that Indiana ranks among the worst in the nation in reliance on property taxes to fund local government. Indiana funds 89 percent of local government with property taxes. The national average is 78 percent and falling. That makes Indiana the 15th worst property tax state in the nation.

Also, Indiana is 14th worst in the nation in reliance upon property taxes in relation to sales and income tax. Property taxes provide 37.2 percent of income from "the big three" compared to national average of 32.4 percent and falling.

Property taxes, which are 100 percent local, fund local entities such as schools, libraries, and fire departments. It's no secret that the property tax is often unfair. It affects seniors, small business owners and farmers more than it affects people who can afford to pay the tax. The Senate plan would have permanently lowered property taxes with a more fair county option income tax.

Under the plan, local elected officials in each county would take



Sen. Weatherwax speaks on HEA 1001 during the Senate Committee on Tax and Fiscal Policy.

two votes. The first, an incremental income tax increase estimated at less than one percent, would stop the growth of property taxes and freeze them at current levels. The second, an additional one percent, would actually lower property taxes by an average of 20 percent or more.

Instead of passing this long-term relief, the General Assembly this year approved \$100 million in immediate relief. This money will lower property tax increases this year, giving taxpayers a quick break. I am pleased that we were able to help Hoosiers, but I am also hopeful that long-term relief will come in the very near future.

This solution or a similar one would provide real, tangible, long-term property tax relief to Hoosiers. I look forward to supporting a similar plan in the future.

Legalizing a Hoosier Tradition

Every summer, patriotism is on display during Independence Day celebrations. It truly wouldn't be a Fourth of July in Indiana without warm weather, good food, family gatherings and-of course-fireworks.

Setting off fireworks on Independence Day has been a Hoosier tradition for many years, despite the fact that it's technically illegal. Current law calls for citizens to sign an affidavit when purchasing fireworks promising that they will be used out of state. The nature of this law and the fact that law enforcement turns a blind eye makes the current fireworks statute unworkable.

House Enrolled Act 1099, which I authored, created statutes and regulations

that are much more in line with the realities of fireworks usage in our state. Under this legislation, Hoosiers are free to purchase fireworks and use them on private property if they are **18 years old** and provide a signature.

By creating a more reasonable standard that can be respected, obeyed and enforced we can not only clarify the law, but also make the system safer. All retailers would have to be licensed and collect a 5 percent public safety fee on the purchase price of fireworks. This fee would raise millions that will be used for training firefighters and other emergency personnel. There would also be stiff penalties for those who use fireworks irresponsibly.

Under HEA 1099, medical and emer-

gency personnel must report any injuries that have resulted from fireworks to the Department of Health within a period of five business days after the person was treated. This will enable the state to monitor the types and number of injuries resulting from the use of fireworks.

Any time there is a law that is mocked and ignored, our entire legal system is diminished. We should not have laws that are not going to be enforced. The creation of reasonable rules guiding the use of fireworks will eliminate ongoing disregard for the statute, raise money for firefighter training and prevent scores of Hoosiers across the state from becoming criminals for celebrating the Fourth of July.